

State Employee Benefits Committee
Friday, June 12, 2015 at 2:00 p.m.
Tatnall Building, Room 112
Dover, Delaware

The State Employee Benefits Committee met on June 12, 2015, at the Tatnall Building, Room 112, Dover, Delaware. The following Committee members and guests were present:

Ann Visalli, Director, OMB	Mike Morton, Controller General
Brenda Lakeman, Director, OMB, SBO	Casey Oravez, OMB, Financial Operations
Faith Rentz, Deputy Director, OMB, SBO	Carol Parrish, Brandywine School District
Lisa Porter, OMB, SBO	Karol Powers-Case, DRSPA
Mary Thuresson, OMB, SBO	Leslie Ramsey, OMB, SBO
Howard Atkinson, Segal	Rebecca Reichardt, OMB
Alexis Bryan-Dorsey, OMB	Kimberly Reinagel-Nietubiez, CGO
David Craik, Pension Office	Jackie Rhoads, Highmark
Jessica Eisenbrey, OMB	Paula Roy, Roy Associates
Wayne Emsley, DRSPA	Shari Sack, Aflac
Karin Faulhaber, PHRST	Donna Smallwood, Brandywine School District
Monica Gonzalez-Gillespie, HRM	Henry Smith, DHSS
Jennifer Grant, HMS	James Testerman, DSEA-R
Pat Griffin, AOC	Everett Toomey, DRSPA
Darcell Griffith, Univ of DE	Chris Ulrich, Univ of DE
Christina Hudson, Univ of DE	Valerie Watson, Finance
Andrew Kerber, DOJ	Debra Yoder, Aetna
Dave Leiter, DHSS	Rebecca Zink, OST
Omar Masood, OST	

Introductions/Sign In

Director Visalli called the meeting to order at 2:02 p.m. Anyone who had public comment was invited to sign in and any others wishing to comment would be given the opportunity at the end of the meeting. Introductions were given around the room.

Approval of Minutes

Director Visalli requested a motion to approve the minutes from the May 15, 2015 SEBC meeting. Controller General Morton made the motion and Mr. Henry Smith seconded the motion. Upon unanimous voice vote the minutes were approved.

Director's Report

Ms. Lakeman updated the committee that HB 71 was introduced and passed through the House Committee on Wednesday, June 10, 2015. HB 71 makes changes to the code section for the State Employees Benefit Committee (SEBC). One change is that SEBC is to meet every three months as opposed to six months as currently stated in the code. SEBC has already met eight times in this calendar year. Another change is to provide a report to Legislature which consists of payments received in the previous fiscal quarter, expenditures in the previous fiscal quarter, the amount of surplus or deficit in the fund, the balance of the reserve, the amount of reserve expended in the previous quarter, and the estimate for those amounts for the next two fiscal quarters. Statewide Benefits Office will keep the committee apprised of the bill whether it passes or not at the end of this month.

Open Enrollment ended a day later than expected on May 29th. Some system issues were experienced on the last Wednesday with so many people accessing the PHRST system. Out of the 36,124 State active benefit eligible

employees, almost 11,000 accessed the Employee Self-Service (ESS) site to look at their benefit changes, complete their Spousal Coordination of Benefits (SCOB) form or enroll in Minnesota life. There are 22,441 active and non-Medicare retirees covering a spouse. SBO did extend the completion of the SCOB form to June 4th to maximize the use of this form. SBO received a report from PHRST this past Monday and only 2,500 have not completed this form. SBO is ready to send out lists to the State organizations to prompt their employees to complete the SCOB form. SBO will get a final list from the carriers of those members who have not completed the form by the week of June 29 and then SBO will send another list to the organizations as well as a letter to each of those individuals. If they do not complete the form, they will be sanctioned which means their claims will be paid at only 20% and that will be put in place mid to end of July to give members time to complete.

Minnesota Life was included in the open enrollment within ESS and received 612 new applications and 450 existing members with coverage changed their coverage. There was a video named Ellie available which was very helpful and interactive and received 700 hits to it.

Aflac statistics through May 29th show 798 enrollments for the State of Delaware and 72 for the University of Delaware.

SBO received 6,000 calls during the open enrollment period, handled 4,300 calls with the remainder of the calls forwarded to the Pension Office or Self-Service for password resets.

The combined efforts of the Education workshops with the new SBO communications prior to Open Enrollment marketing Minnesota Life with the single sign-on access was a valuable functionality and contributed the spike in new applications. SBO is looking forward to introducing this functionality in ESS with the other benefit vendors in the future.

Fund & Equity – April 2015 - handout

Ms. Oravez presented the April Fund & Equity report. As noted under the Operating Revenues, \$2.6M was received for Express Script prescription rebate. The FY13 Medicare subsidy placeholder of \$300K was removed and absorbed back into the fund. The April Fund Equity balance is \$26.9M and the Net Fund Equity balance is negative \$80.2M.

FY15 Qtr 3 Financials - handout

Mr. Atkinson presented the 3Q15 Financials. Through March 31, 2015, the total surplus as of the third quarter is at a negative \$60M that divides up into \$58M for Highmark and \$2M for Aetna. The contracts for Highmark are 63,305 and 3,479 for Aetna for a total of 66,784 contracts. Highmark members are at 113,151 and Aetna has 7,810 for a total of 120,961 members. Highmark and Express Scripts show a \$58M loss. Aetna and Express Scripts has a \$2M deficit. The Actives shown on the graphs under the Basic and the two CDH plans had the revenue greater than the expense side. For the non-Medicare retirees, only the Aetna CDH plan has the revenue greater than the expenses.

Disability Insurance Program Rules & Regulations - handouts

Ms. Lakeman reviewed changes that are being proposed to be sure the plan is in compliance with the Equal Employment Opportunities Act and the ADA. Changes are to clarify items with definitions, additional language, correcting inconsistencies and to streamline the program for clearer understanding. Once the committee approves these changes, they are put into the Register of Regulations, to be effective July 1, 2015.

Health Plan Changes Effective September 1, 2015

Ms. Rentz updated the committee on the outreach to various agencies to present the decisions made from the May 15th SEBC meeting. SBO will have another open enrollment from July 6th through July 17th for only those enrolled in a non-Medicare health plan. SBO will be sending letters the week of June 22nd to all active employees, participating group employees and non-Medicare pensioners informing them of this enrollment opportunity. If they choose to make changes, a health application will need to be completed which is available on the SBO website, then submitted to their HR Benefits Office who will process the changes to be effective September 1, 2015. Employee Self Service will not be

open for this enrollment nor can any other benefit changes occur be made. This relates to the premium rate changes and co-pay changes in the health plans and prescription benefits.

FY16 DelaWELL Program

This program is being moved under the two health plans – Highmark and Aetna. The new strategy will continue to campaign and market to employees to complete an annual physical examination with their primary physician as preventive care is covered at no cost effective July 1, 2015. The second piece is to complete an online wellness assessment to be done directly through their health plan vendor portal. The long term approach will focus on more educational materials, develop communications and center on a multi-year strategy to engage participants to keep health care costs down.

Public Comment

Mr. Emsley expressed his thanks to the committee and to the folks that send out the materials for the meeting and asked if materials could be sent out before the meeting.

Mr. Leiter requested if the financial information could be projected during the meeting. For the mailings, the health plan coordination form could include a due date. Mr. Leiter asked if the annual physical and online wellness assessment is available during working hours and asked if committee could delay in voting on the short term disability.

Director Visalli asked for a motion to approve the Disability Insurance Program Rules & Regulations. General Controller Morton made the motion Mr. Smith seconded. With unanimous voice approval the motion carried.

Director Visalli stated that the SEBC would need to go into Executive Session to hear an appeal and there would be no additional business for the committee after Executive Session. A motion to adjourn the public meeting and go into Executive Session was requested. Mr. Smith made the motion and General Controller Morton seconded. Upon unanimous voice approval, the Committee moved into Executive session at 3:04 p.m. Director Visalli requested a motion to return to public session at 3:53 p.m. Controller General Morton made the motion and Mr. Smith seconded the motion.

Director Visalli stated the motion to approve the recommendation on the appeal would be taken after the July 27 SEBC meeting. Director Visalli requested a motion to adjourn the meeting. Ms. Griffin made the motion and Ms. Watson seconded the motion. The meeting was adjourned at 3:54 p.m.

Respectfully submitted,

Lisa Porter
Executive Secretary
Statewide Benefits Office, OMB